



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

**FILED**

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Expedited Application Of Southern California  
Edison Company (U 338-E) Regarding Power  
Charge Indifference Adjustment Trigger

Application No. 20-10-\_\_\_\_\_

**EXPEDITED APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY**  
**(U 338-E) REGARDING POWER CHARGE INDIFFERENCE ADJUSTMENT**  
**TRIGGER**

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Dated: **October 9, 2020**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

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Edison Company (U 338-E) Regarding Power  
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A.20-10-\_\_\_\_\_

**EXPEDITED APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY  
(U 338-E) REGARDING POWER CHARGE INDIFFERENCE ADJUSTMENT  
TRIGGER**

**I.**

**DESCRIPTION OF APPLICATION**

Pursuant to California Public Utilities Commission (Commission) Decision (D.) 18-10-019 and Rule 2.1 of the Commission's Rules of Practice and Procedure, Southern California Edison Company (SCE) respectfully submits this Expedited Application Regarding Power Charge Indifference Adjustment Trigger (Trigger Application or Application). As of August 31, 2020, SCE's recorded Power Charge Indifference Adjustment (PCIA) trigger balance (PCIA Trigger Balance) was an undercollection of \$35.366 million (or 8.52 percent of the forecast 2020 departing load customer PCIA revenue requirement),<sup>1</sup> thus exceeding the seven percent trigger point (PCIA Trigger Point) established in D.18-10-019 with no reasonable expectation of self-correction within 120 days.<sup>2</sup>

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<sup>1</sup> Overcollections are reflected as negative balances and percentages; undercollections are reflected as positive balances and percentages.

<sup>2</sup> Self-correction is defined as a PCIA Trigger Balance that is below the PCIA Trigger Point. *See* D.18-10-019, p. 87 and Ordering Paragraph (OP) 10.

## II.

### **BACKGROUND**

The PCIA, originally established by the Commission in D.06-07-030<sup>3</sup> as part of the Cost Responsibility Surcharge (CRS),<sup>4</sup> is part of a ratemaking methodology developed to ensure that when electric customers of an investor-owned utility (IOU) depart from IOU procurement service and receive their electricity procurement service from a non-IOU load-serving entity (LSE), such as an Electric Service Provider (ESP) or a Community Choice Aggregator, those “departing load customers”<sup>5</sup> remain responsible for the procurement costs previously incurred on their behalf by their IOU to ensure that these costs are not unlawfully shifted to remaining bundled service customers. The PCIA is calculated by comparing the costs of the eligible generation resources (Total Portfolio Cost) to their Market Value (Portfolio Market Value).<sup>6</sup> The Portfolio Market Value is calculated using administratively-set market price benchmarks (MPBs) that have been refined over time.<sup>7</sup> Both bundled service and departing load customers are responsible for the costs recovered via the PCIA. For SCE’s bundled service customers, the PCIA is included in bundled generation rates; for departing load customers, the PCIA is reflected as a separate line item in the IOU section of their utility bill.

In 2017, the Commission opened Rulemaking (R.) 17-06-026 (PCIA OIR) to respond to widespread concerns that the then-existing PCIA mechanism was resulting in statutorily prohibited cost-shifting from departing load customers to remaining bundled service customers.

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<sup>3</sup> As modified by D.07-01-030.

<sup>4</sup> The CRS is comprised of the PCIA, the Competition Transition Charge (CTC), and the Department of Water Resources Bond Charge (DWRBC). The DWRBC component began collecting the Wildfire Fund Non-Bypassable Charge effective October 1, 2020.

<sup>5</sup> Departing load customers include customers who receive procurement services from an alternate provider, such as an ESP in the case of Direct Access (DA) customers or a Community Choice Aggregator in the case of Community Choice Aggregation (CCA) customers, as well as customer generation departing load. Customers participating in SCE’s Green Tariff Shared Renewables (GTSR) program are also considered departing load customers for the purposes of the issues raised in this Application because they are responsible for the PCIA under SCE’s GTSR tariffs.

<sup>6</sup> Market Value is currently comprised of three components: Energy Value, RPS Value, and RA Value (which is the summation of system, local and flexible RA values).

<sup>7</sup> See D.11-12-018, D.18-10-019 and D.19-10-001.

The litigation resulted in the Commission issuing D.18-10-019 which, in part, revised the inputs to the MPBs used to calculate the PCIA and adopted an annual true-up mechanism.

Additionally, the Commission adopted a cap on year-over-year changes in departing load customers' PCIA rates, which was to be first applied to the forecast year 2020 PCIA rates, along with a PCIA trigger mechanism to allow the Commission to monitor and timely address the amount of undercollected revenues owed by departing load customers as a result of capped PCIA rates.

The implementation of capped PCIA rates for departing load customers results in revenue shortfalls year-over-year because SCE is not able to collect departing load customers' full share of the above-market costs incurred on their behalf. As a result, the Commission requires that this revenue shortfall be temporarily shifted to bundled service customers' as an increase to their generation rates. To help monitor and address PCIA undercollections from departing load customers, the Commission adopted a trigger mechanism similar to the utilities' existing Energy Resource Recovery Account (ERRA) Trigger mechanism.<sup>8</sup> Specifically, OP 10 of D.18-10-019 defines the trigger mechanism applicable to PCIA rates (PCIA Trigger), as follows:

- The PCIA trigger threshold is 10 percent of the forecast PCIA revenues (PCIA Trigger Threshold);
- If an IOU reaches the PCIA Trigger Point and forecasts that the balance will reach the PCIA Trigger Threshold, the IOU must file, within 60 days, an expedited application for approval in 60 days from the filing date of the application;
- The application must include a projected account balance as of 60 days or more from the date of filing the application depending on when the balance will reach the PCIA Trigger Threshold; and
- The application must propose a revised PCIA rate that will bring the projected account balance below the PCIA Trigger Point and maintain that balance below that

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<sup>8</sup> D.18-10-019, p. 87.

level until January 1 of the following year, when the PCIA rates adopted in that IOU's ERRA Forecast proceeding will take effect.<sup>2</sup>

In this Application, and as more fully set forth in the supporting testimony, SCE proposes two methods for addressing the PCIA Trigger Balance undercollection, both of which result in substantially similar overall PCIA rate increases for applicable departing load customers and corresponding decreases to bundled generation rates in 2021.

**PROPOSAL 1:** Recover 100 percent of the forecast 2020 year-end PCIA Trigger Balance as a sur-charge on applicable departing load customers' otherwise effective PCIA rates over a 12-month amortization period beginning in Q1 2021.

**PROPOSAL 2:** Consolidate the recovery of a *portion* of the forecast 2020 year-end PCIA Trigger Balance with the recovery of the *full* forecast 2021 PCIA revenue requirement adopted in SCE's 2021 Energy Resource Recovery Account (ERRA) Forecast proceeding ((Application (A.) 20-07-004)) to effectuate the implementation of a composite 2021 ERRA Forecast PCIA rate for applicable departing load customers.

Proposal 1 is more consistent with historical cost-recovery principles; however, SCE offers Proposal 2 as a means of providing departing load customers, on an interim basis, with the rate certainty that the PCIA rate cap was originally intended to provide (at least in 2021). This proposal likely is an appealing interim solution for both bundled service and departing load customers while the Commission and stakeholders consider the long-term viability of the PCIA cap-and-trigger methodology.

The impact of SCE's proposals compared to current PCIA rates for applicable departing load customers is shown in Table II-1.<sup>10</sup>

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<sup>2</sup> D.18-10-019, pp. 86-87; OP 10.

<sup>10</sup> To allow for an "apples to apples" comparison between the two proposals, the rates shown under Proposal 1 are the summation of the PCIA Trigger Balance sur-charge rates plus the proposed 2021 ERRA Forecast PCIA rates submitted in SCE's 2021 ERRA Forecast proceeding.

**Table II-1**  
**2021 PCIA Illustrative Rate Comparison Between Proposals 1 and 2**

	PCIA 2011 Vintage	PCIA 2012 Vintage	PCIA 2013 Vintage	PCIA 2014 Vintage	PCIA 2015 Vintage	PCIA 2016 Vintage	PCIA 2017 Vintage	PCIA 2018 Vintage	PCIA 2019 Vintage
<b>Current PCIA Rates</b>	0.01574	0.01652	0.01661	0.01937	0.01526	0.01827	0.01747	0.01966	0.01949
<b>Proposal 1</b> (Average All Classes)	0.01799	0.01954	0.01869	0.02480	0.01960	0.02829	0.02351	0.02994	0.02714
<b>Proposal 2</b> (Average All Classes)	0.01757	0.01876	0.01834	0.02449	0.02058	0.02916	0.02473	0.02901	0.02688
<b>Proposal 1</b> (\$/kWh Increase Over Current Rates - Avg All Classes)	0.00225	0.00301	0.00208	0.00543	0.00434	0.01002	0.00604	0.01028	0.00765
<b>Proposal 1</b> (% Increase Over Current Rates - Avg All Classes)	14.29%	18.23%	12.54%	28.05%	28.41%	54.83%	34.58%	52.27%	39.24%
<b>Proposal 2</b> (\$/kWh Increase Over Current Rates - Avg All Classes)	0.00183	0.00224	0.00173	0.00512	0.00532	0.01089	0.00726	0.00935	0.00739
<b>Proposal 2</b> (% Increase Over Current Rates - Avg All Classes)	11.59%	13.54%	10.40%	26.43%	34.85%	59.60%	41.52%	47.56%	37.89%

**Current Rates** are the PCIA rates that were implemented on **June 1, 2020**. These calculations use forecast 2021 billing determinants.

SCE’s testimony also address a flaw with the current implementation of the PCIA Rate Cap calculation, *i.e.* that it bases the cap only on the forecast PCIA rates and does not account for the fact that these forecast rates now include a year-end true-up (*i.e.*, after they are “trued-up,” they may very well be higher than the forecast value). Based on a plain language reading of OP 9.a of D.18-10-019, the PCIA Rate Cap should be applied to the “final” PCIA rate that would include the true-up, since that trued-up amount in reality is the “prior year’s PCIA,” which is the language used in D.18-10-019.<sup>11</sup> For example, if the forecast PCIA rate is 2 cents but the final PCIA rate is 2.6 cents using *recorded* actuals for energy and the Commission-issued “*final*” RA and RPS adders, the PCIA Rate Cap should be applied to the 2.6 cents instead of the 2 cents. However, at a minimum, if the PCIA Rate Cap is triggered and the rate is reset to bring the PCIA undercollection below the PCIA Trigger Point, discussed in Section C below, the reset PCIA rate should be used as the “prior year’s PCIA rate” for purposes of setting the PCIA Rate Cap for the subsequent year. SCE believes this issue is ripe for consideration in this Application to address fundamental flaws with the PCIA Rate Cap as currently implemented

Due to the timing of this Application and other considerations as further discussed in the accompanying testimony in support of this Application, SCE requests authority to maintain PCIA rates at their current levels and either (a) implement Proposal 1 as part of SCE’s planned

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<sup>11</sup> OP 9.a of D.18-10-019: “Starting in forecast year 2020, the cap level of the PCIA rate is set at 0.5 cents/kWh more **than the prior year’s PCIA**, differentiated by vintage” (emphasis added).

2021 first quarter (Q1 2021) consolidated rate change, or (b) implement Proposal 2 concurrent with the implementation of the rates adopted in SCE's 2021 ERRRA Forecast proceeding, which is also currently targeted for implementation in the planned Q1 2021 consolidated rate change.

Pursuant to D.18-10-019, expedited PCIA trigger applications are to be submitted for approval within 60 days of the filing date.<sup>12</sup> SCE requests that the Administrative Law Judge (ALJ) assigned to this matter issue a ruling on or by October 15, 2020, shortening the protest period from 30 days to 10 days with 2 days for SCE to file a reply, given the expedited nature of this proceeding.

### III.

#### **SUMMARY OF RELIEF REQUESTED**

This Application contains a proposed, expedited schedule and SCE respectfully requests that the Commission issue a timely decision in this proceeding that:

(1) Acknowledges the PCIA Trigger Balance and finds that SCE has complied with the requirements of D.18-10-019 to file an expedited PCIA trigger application as a result of the PCIA Trigger Balance exceeding the PCIA Trigger Point and being forecast to exceed the PCIA Trigger Threshold as of September 30, 2020 with no reasonable expectation of self-correction within 120 days;

(2) Within approximately 60 days, adopts a final decision authorizing SCE to implement Proposal 1 or Proposal 2 as described in SCE's supporting testimony;

(3) Clarifies that pursuant to OP 9.a of D.18-10-019, the PCIA Rate Cap should be applied to each prior year's final PCIA rate that includes the trued-up recorded actuals for energy and the Commission-issued "final" Resource Adequacy (RA) and Renewables Portfolio Standard (RPS) adders; or alternatively clarify that the PCIA Rate Cap should be applied to each prior

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<sup>12</sup> D.18-10-019, OP 10.b.

year's PCIA rate as reset by a PCIA trigger that brings the PCIA undercollection below the PCIA Trigger Point as directed in OP 10.d of D.18-10-019;

(4) Authorizes SCE to submit a Tier 1 advice letter to implement changes to the PCIA Rate Cap calculation within 30 days of the issuance of a final decision in this proceeding; and

(5) Grants any other relief that is just and reasonable.

#### IV.

#### **STATUTORY AND REGULATORY REQUIREMENTS**

SCE's request complies with Rules 1.5 through 1.11 and 1.13 of the Commission's Rules of Practice and procedure, which specify the procedures for, among other things, filing documents, as well as Rules 2.1, 2.2 and 3.2.

##### **A. Statutory and Other Authority – Rule 2.1**

Rule 2.1 of the Commission's Rules of Practice and Procedure requires that all applications (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant.

SCE submits this Application pursuant to D.18-10-019 and Public Utilities Code Section 454.5(d)(3). D.18-10-019 requires SCE to file an expedited PCIA trigger application when its PCIA Trigger Balance exceeds the PCIA Trigger Point and when the balance is forecasted to exceed the PCIA Trigger Threshold amount and where SCE does not reasonably believe that the PCIA Trigger Balance will self-correct within 120 days. As of August 31, 2020, SCE's recorded PCIA Trigger Balance was an undercollection of \$35.366 million (or 8.52 percent), thus exceeding the seven percent PCIA Trigger Point established in D.18-10-019 with no reasonable expectation of self-correction within 120 days.

The relief being sought is summarized in Section III above and is further described in SCE's supporting testimony served concurrently with this Application.

This Application has been verified by a SCE office as provided in Rules 1.11 and 2.1.



The remainder of Rule 2.1, as well as Rules 2.2 and 3.2, set forth further requirements that are addressed separately below.

**B. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)**

Pursuant to Rule 2.1 of the Commission’s Rules of Practice and Procedure, the full legal name of the applicant is Southern California Edison Company (SCE). SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy for light, heat and power in portions of central and southern California as a public utility subject to the jurisdiction of the California Public Utilities Commission.

SCE’s principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1212

Communications regarding this Application are to be addressed to the attention of:

Mario E. Dominguez	SCE Case Administration
Attorney, Law Department	Southern California Edison Company
Southern California Edison Company	8631 Rush Street
2244 Walnut Grove Avenue	Rosemead, CA 91770
Post Office Box 800	Telephone: (626) 302-6906
Rosemead, CA 91770	E-mail: Case.Admin@sce.com
Telephone: (626) 302-6522	
Email: <u>Mario.E.Dominguez@sce.com</u>	

**C. Proposed Categorization, Need for Hearings, Issues to be Considered, Proposed Schedule, and Relevant Safety Considerations – Rule 2.1(c)**

Commission Rule 2.1(c) requires that all applications shall state “the proposed category for the proceeding, the need for hearing, the issues to be considered including relevant safety considerations, and a proposed schedule.”

**1. Proposed Category**

SCE proposes that this proceeding be categorized as “ratesetting.”

**2. Need for Hearings**

SCE believes that no evidentiary hearing is required for this proceeding based on the expedited nature of the PCIA Trigger Application and the fact that SCE’s supporting testimony and applicable Commission decisions provide the Commission with a complete record upon which to grant the relief requested. The forecast year-end PCIA Trigger Balance is based on recorded actuals and Commission-approved forecasts. SCE’s proposals are crafted to amortize the recovery of the forecast year-end PCIA Trigger balance over a longer period than that contemplated in D.18-10-019 in order to mitigate the rate impact on applicable departing load customers.

**3. Issues to be Considered**

The issues to be considered are described in this Application and the accompanying testimony. SCE does not believe there are any issues related to safety considerations that need to be considered in this Application.

**4. Procedural Schedule**

In order to receive a timely final Commission decision so that SCE can address recovery of the forecast year-end PCIA Trigger Balance in its next scheduled rate change and consistent with D.18-10-019 requiring an approval within 60 days of filing,<sup>13</sup> SCE requests that the Administrative Law Judge (ALJ) assigned to this matter issue a ruling shortening the protest period from 30 days to 10 days with 2 days for SCE to file a reply, given the expedited nature of

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<sup>13</sup> D.18-10-019, OP 10.b.

this proceeding, and SCE also requests that the Commission process the Application according to the following expedited schedule.

DATE	ACTIVITY
October 9, 2020	SCE Files PCIA Trigger Application
TBD	Notice of PCIA Trigger Application Appears in Daily Calendar
By October 15, 2020	ALJ Issues Email Ruling Granting Expedited Protest Period
+ 10 days	Protests / Responses Due
+ 2 days	Reply to Protests / Responses Due
November 13, 2020	ALJ Issues Proposed Decision (PD)
November 20, 2020 <sup>14</sup>	Opening Comments on PD Due
November 30, 2020	Reply Comments on PD Due
December 3, 2020	Commission Adopts Final Decision

**D. Organization and Qualification to Transact Business – Rule 2.2**

Rule 2.2 requires the applicant to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that document if previously filed with the Commission.

A copy of SCE’s Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with A.06-03-020, and is by reference made a part hereof.

A copy of SCE’s Certificate of Determination of Preferences of the Series D Preference Stock, filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, were filed with the Commission on April 1, 2011, in connection with A.11-04-001, and is by reference made a part hereof.

A copy of SCE’s Certificate of Determination of Preferences of the Series E Preference Stock, filed with the California Secretary of State on January 12, 2012, and a copy of SCE’s

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<sup>14</sup> Rule 14.6(b) of the Commission’s Rules of Practice and Procedure allows the parties in the proceeding to stipulate to the shortened comment period.

Certificate of Increase in Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with A.12-03-004, and are by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock, filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with A.12-06-017, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with A.13-01-016, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with A.14-03-013, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State was filed with the Commission on October 2, 2015, in connection with A.15-10-001, and is by reference made a part hereof..

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with A.16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect,

certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with A.17-06-030, and is incorporated herein by this reference.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 13, 2020, pursuant to GO Nos. 65-A and 104-A of the Commission.

**E. Authority to Increase Rates – Rule 3.2**

**1. Balance Sheet and Income Statement – Rule 3.2(a)(1)**

In compliance with 3.2(a)(1), Appendix A hereto contains copies of SCE's balance sheet as of June 30, 2020, and income statement for the period ended June 30, 2020, the most recent period available.

**2. Present and Proposed Rates – Rule 3.2(a)(2) And Rule 3.2(a)(3)**

The presently effective rates and the illustrative changes proposed to be made to those rates are listed in the table in Section II above, as well as discussed in SCE's supporting testimony served concurrently with this Application. The proposed rates are illustrative and will be updated consistent with the Commission's decision in this proceeding to reflect SCE's then-current authorized revenues when such rates are implemented. SCE's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-B.

**3. Summary of Earnings – Rule 3.2(a)(5)**

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings for June 30, 2020, the most recent period available.

**4. Statement Pursuant to Rule 3.2(a)(10)**

Rule 3.2(a)(10) requires that the "application of electrical ... corporation shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it." SCE's Application forecasts costs related to fuel and purchased power, and requests recovery of amounts in certain balancing accounts, which are traditional "pass through" costs to customers.

**5. Notice – Rules 3.2(b), (c), and (d)**

Pursuant to Rule 3.2(b), a notice stating in general terms the proposed change in rates will be mailed to the designated officials of the State of California and the cities and counties affected by the rate changes proposed in this Application. Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE's service territory within which the rate changes would be effective. Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the proposed increase by including such notice with the regular bills mailed to those customers. The notice will also be posted on SCE's website, and customers who receive their bills electronically will be provided with an electronic link to the notice.

**6. Service**

The official service list has not yet been established in this proceeding. SCE is serving this application and supporting testimony on the Commission's Office of

Ratepayer Advocates, as well as the service lists established by the Commission for R.17-06-026<sup>15</sup> and A.20-07-004.<sup>16</sup>

IV.

**EXPEDITED TREATMENT**

SCE has included all data required to support this Application in its supporting testimony (Exhibit SCE-01). SCE respectfully requests that the Commission review and approve this Application on an expedited basis, according to the proposed schedule herein.

Respectfully submitted,

JANET S. COMBS  
MARIO E. DOMINGUEZ

/s/ Mario E. Dominguez

By: Mario E. Dominguez

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

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October 9, 2020

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<sup>15</sup> This is the PCIA OIR.

<sup>16</sup> This is the service list for SCE's 2021 ERRR Forecast Application.

**DECLARATION OF WILLIAM V. WALSH**

I, William V. Walsh, holding the title of Vice President, Energy Procurement & Management, Southern California Edison Company, have read the foregoing Expedited Application of Southern California Edison Company (U 338-E) Regarding Power Charge Indifference Adjustment Trigger and know its contents. To the extent the Application states facts, I have personal knowledge that those facts are true and correct and, as to matter of which I do not have personal knowledge, I believe them to be true based upon the information available to me or my beliefs after having made reasonable inquiry into these matters.

I declare that the Application is submitted in good faith. I further declare that the relief requested is warranted under law and based upon the facts and circumstances known to me and set forth in the Application.

I have full authority to make these declarations on behalf of Southern California Edison Company, and do so under penalty of perjury.

Executed on October 9, 2020 at Rosemead, California.

Declared and executed by:

/s/ William V. Walsh  
William V. Walsh  
Vice President  
Energy Procurement & Management



**Appendix A**

**Balance Sheet and Income Statement**

SOUTHERN CALIFORNIA EDISON COMPANY

**(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.**

STATEMENT OF INCOME  
SIX MONTHS ENDED JUNE 30, 2020

(In millions)

OPERATING REVENUE	<u>\$ 5,760</u>
OPERATING EXPENSES:	
Purchase power and fuel	1,996
Other operation and maintenance	1,600
Wildfire insurance fund expense	167
Depreciation and amortization	972
Property and other taxes	213
Impairment and other	<u>(52)</u>
Total operating expenses	<u>4,896</u>
OPERATING INCOME	864
Interest expense	(387)
Other income	<u>134</u>
INCOME BEFORE TAXES	611
Income tax benefit	<u>(49)</u>
NET INCOME	660
Less: Preferred and preference stock dividend requirements	<u>60</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 600</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
JUNE 30, 2020  
ASSETS  
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 51,264
Less- accumulated provision for depreciation and decommissioning	10,371
	<u>40,893</u>
Construction work in progress	4,361
Nuclear fuel, at amortized cost	132
	<u>45,386</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$83	162
Nuclear decommissioning trusts	4,566
Special Funds and Other investments	65
	<u>4,793</u>

CURRENT ASSETS:

Cash and equivalents	254
Receivables, less allowances of \$90 for uncollectible accounts	932
Accrued unbilled revenue	629
Inventory	382
Income tax receivables	122
Prepaid expenses	49
Regulatory assets	1,692
Wildfire insurance fund contributions	323
Other current assets	145
	<u>4,528</u>

DEFERRED CHARGES:

Regulatory assets	6,528
Wildfire insurance fund contributions	2,606
Operating lease right-of-use assets	668
Long-term insurance receivable due from affiliate	803
Other long-term assets	1,424
	<u>12,029</u>
	<u>\$ 66,736</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
JUNE 30, 2020  
CAPITALIZATION AND LIABILITIES  
(in millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	4,829
Accumulated other comprehensive loss	(36)
Retained earnings	<u>9,575</u>
Common shareholder's equity	16,536
Preferred and preference stock	2,245
Long-term debt	<u>16,107</u>
Total capitalization	<u>34,888</u>

CURRENT LIABILITIES:

Short-term debt	475
Current portion of long-term debt	1,029
Accounts payable	1,657
Accrued interest	289
Customer deposits	281
Regulatory liabilities	857
Current portion of operating lease liabilities	64
Other current liabilities	<u>949</u>
	<u>5,601</u>

DEFERRED CREDITS:

Deferred income taxes and credits	6,708
Pensions and benefits	223
Asset retirement obligations	3,013
Regulatory liabilities	8,395
Operating lease liabilities	604
Wildfire-related claims	4,561
Other deferred credits and other long-term liabilities	<u>2,743</u>
	<u>26,247</u>

\$ 66,736

**Appendix B**

**Summary of Earnings**

Thousands of Dollars

Southern California Edison Summary of Earnings 2018 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	5,115,860
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	1,732,986
4.	Depreciation	1,579,362
5.	Taxes	296,269
6.	Revenue Credits	(151,220)
7.	Total Expenses	3,457,396
8.	<b>Net Operating Revenue</b>	1,658,464
9.	<b>Rate Base</b>	22,321,623
10.	<b>Rate of Return</b>	7.43%

Southern California Edison Summary of Earnings 2019 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	5,450,965
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	1,782,074
4.	Depreciation	1,656,845
5.	Taxes	366,005
6.	Revenue Credits	(155,758)
7.	Total Expenses	3,649,166
8.	<b>Net Operating Revenue</b>	1,801,799
9.	<b>Rate Base</b>	24,205,329
10.	<b>Rate of Return</b>	7.44%

Southern California Edison Summary of Earnings 2020 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	5,860,081
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	1,832,133
4.	Depreciation	1,760,137
5.	Taxes	478,767
6.	Revenue Credits	(158,663)
7.	Total Expenses	3,912,375
8.	<b>Net Operating Revenue</b>	1,947,707
9.	<b>Rate Base</b>	26,122,849
10.	<b>Rate of Return</b>	7.46%

**Appendix C**

**List of Cities and Counties in Which the Proposed Increase Is to be Made Effective**

# INCORPORATED CITIES AND COUNTIES SERVED BY SCE

## COUNTIES

Fresno	Kern	Madera	Riverside	Tuolumne
Imperial	Kings	Mono	San Bernardino	Tulare
Inyo	Los Angeles	Orange	Santa Barbara	Ventura

## CITIES

Adelanto	Commerce	Hesperia	Lynwood	Porterville	Tehachapi
Agoura Hills	Compton	Hidden Hills	Malibu	Rancho Cucamonga	Temecula
Alhambra	Corona	Highland	Mammoth Lakes	Rancho Mirage	Temple City
Aliso Viejo	Costa Mesa	Huntington Beach	Manhattan Beach	Rancho Palos Verdes	Thousand Oaks
Apple Valley	Covina	Huntington Park	Maywood	Rancho Santa Margarita	Torrance
Arcadia	Cudahy	Indian Wells	McFarland	Redlands	Tulare
Artesia	Culver City	Industry	Menifee	Redondo Beach	Tustin
Avalon	Cypress	Inglewood	Mission Viejo	Rialto	Twentynine Palms
Baldwin Park	Delano	Irvine	Monrovia	Ridgecrest	Upland
Barstow	Desert Hot Springs	Irwindale	Montclair	Rolling Hills	Ventura
Beaumont	Diamond Bar	Jurupa Valley	Montebello	Rolling Hills Estates	Victorville
Bell	Downey	La Canada Flintridge	Monterey Park	Rosemead	Villa Park
Bell Gardens	Duarte	La Habra	Moorpark	San Bernardino	Visalia
Bellflower	Eastvale	La Habra Heights	Moreno Valley	San Dimas	Walnut
Beverly Hills	El Monte	La Mirada	Murrieta	San Fernando	West Covina
Bishop	El Segundo	La Palma	Newport Beach	San Gabriel	West Hollywood
Blythe	Exeter	La Puente	Norco	San Jacinto	Westlake Village
Bradbury	Farmersville	La Verne	Norwalk	San Marino	Westminster
Brea	Fillmore	Laguna Beach	Ojai	Santa Ana	Whittier
Buena Park	Fontana	Laguna Hills	Ontario	Santa Barbara	Wildomar
Calabasas	Fountain Valley	Laguna Niguel	Orange	Santa Clarita	Woodlake (Three Rivers)
California City	Fullerton	Laguna Woods	Oxnard	Santa Fe Springs	Ventura
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	Yucca Valley
Carpinteria	Goleta	Lancaster	Palos Verdes Estates	Sierra Madre	
Carson	Grand Terrace	Lawndale	Paramount	Signal Hill	
Cathedral City	Hanford	Lindsay	Perris	Simi Valley	
Cerritos	Hawaiian Gardens	Loma Linda	Pico Rivera	South El Monte	
Chino	Hawthorne	Lomita	Placentia	South Gate	
Chino Hills	Hemet	Long Beach	Pomona	South Pasadena	
Claremont	Hermosa Beach	Los Alamitos	Port Hueneme	Stanton	